

TENNESSEE REGULATORY AUTHORITY

H. Lynn Greer, Jr.
Director

Don Sundquist
Governor

May 10, 2000

Ms. Denise Tapp
3245 Douglass Avenue
Memphis, TN 38111

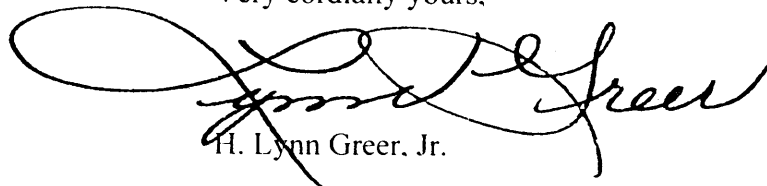
99-00909
Memphis Network
App for CCN

Dear Ms. Tapp:

Senator Cohen has referred to me the letter you wrote him regarding the entry of Memphis Light, Gas and Water into the telecommunications market. This case is still an open docket, so I am unable to comment on your concerns at this time. However, I will file your letter in the public docket and ask these questions on your behalf in the formal hearing.

Thank you for bringing your concerns to the attention of the Tennessee Regulatory Authority. You ask some valid questions which won't be answered until the public hearing is held.

Very cordially yours,



H. Lynn Greer, Jr.

LG:lm

c: Senator Steve Cohen



STEPHEN I. COHEN
SENATOR
30TH SENATORIAL DISTRICT
349 Kenilworth Place
Memphis, Tennessee 38112
(901) 726-6622

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Senate Chamber

State of Tennessee

NASHVILLE

CHAIRMAN
STATE AND LOCAL GOVERNMENT
COMMITTEE

MEMBER OF COMMITTEES
FISCAL REVIEW
GOVERNMENT OPERATIONS
JUDICIARY

May 5, 2000

Mr. Lynn Greer
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

Dear Lynn:

Attached find a letter I have received from a constituent. I would appreciate your responding to her and answer the questions that she has raised regarding the Memphis Light, Gas and Water and the telecommunications market.

I would appreciate a copy of your response.

Most Sincerely,

Stephen I. Cohen
State Senator

SIC:ct

RECEIVED

MAY 09 2000

**TN REGULATORY AUTHORITY
LYNN GREER, DIRECTOR**

Denise Tapp
3245 Douglass Avenue
Memphis, TN 38111
Ph: (901) 452-1600

*Call her
after you have*

May 2, 2000

Senator Steve Cohen
8 Legislative Plaza
Nashville, TN 37243-0030

Re: Entry of Memphis Light, Gas & Water into the telecommunications market

Dear Senator Cohen:

Please read and consider the concerns I have outlined below regarding the above-referenced matter and the Tennessee Regulatory Commission's hearing being conducted on the subject this week.

As you know, for nearly five years I resided in the U.S. Virgin Islands on St. John. In 1989, we suffered a devastating natural disaster with the onslaught of Hurricane Hugo. Having experienced the recovery from an event of that magnitude, I am deeply concerned about the proposed entry of Memphis Light, Gas and Water into the exploding telecommunications market for very valid reasons which influence the lives of every resident of this region.

By long-established tradition and for obvious reasons, ML,G&W controls a majority of the utility easements in the Memphis area. Anyone receiving light, gas, water, telephone service or cable to their residence most likely has one or more of these easements referenced in the deed to his/her property, with ML,G&W listed as owner. Phone and cable providers then lease space from ML,G&W, in most cases.

In the aftermath of a disaster, it is logical that power restoration be the first priority, for reasons which include the dangers inherent in downed lines and broken gas and water mains, as well as the need to restore heat or cooling in a temperate zone, electricity for refrigerators and so forth.

The peculiar issue that arises following a disaster concerns those ancillary services upon which we have come to rely and the restoration of which are under the control of the power company simply because of the fact that it owns and controls the easements and access to those easements. There is a "pecking order" by which the utility company leases space to the phone company and the cable company and by which access to the easements is determined.

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With this in mind, I must ask the following questions:

Do the residents of the Memphis area have any guarantee, under the proposal ML,G&W is putting before the TRC and the Memphis City Council, that ML,G&W will not show favoritism in granting easement access to its telecommunications partner? In reading recent media coverage, it seems that this new partner hopes to offer phone service to government offices and large clients, where the profits are not outweighed by costs of building a complex infrastructure. Therefore, one may assume that BellSouth will continue to provide the majority of residential, office and small business services, since they have lines in place to "grandma's house," and the investment in this infrastructure has long been recovered. Ditto with cable. Can ML,G&W--the new multi-service provider for the powerful few--assure us that BellSouth and TimeWarner will have immediate access to their poles, as soon as the danger of electric shock has been removed?

Do the old easement agreements mention other utility providers' access and the associated "pecking order" with respect to buried services, such as those which would ride alongside water and gas lines? I doubt it, since most predate the fiber-optics age by generations, but buried cable is a critical part of those necessary services upon which every citizen has come to rely. Its significance will only increase over the coming years, and, positioned, as we are, on one of the largest earthquake faults in the world, the issue of buried services is paramount, since they are highly vulnerable to disruption by seismic activity.

On St. John, many residents could not have home telephone service restored for several months following Hugo. Immediately after the storm, FEMA sent emergency crews from Alabama Power & Light to reset the poles, but the local power authority took 'island time' finishing its work and denied access to the telephone company, even when the two entities were working on different ends of the island. Cable service was not restored for 18 months.

I dislike monopolies in principle, however, in practice, I understand the value of and the need for certain ones. ML,G&W has always done an excellent job providing services to the people of this region, and, having lived elsewhere, I can attest to this fact. It is also my understanding that this new venture does not affect the jobs of their employees who are involved with delivering light, gas and water to the community. In fact, crews are being imported from other parts of the country to work on this telecommunications addition. So, the community at large derives no immediate or direct benefit from the proposal.

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However, the impact of its implementation--in the event of a natural disaster--could be devastating and even life-threatening to the individuals of this community, if the TRC and the Memphis City Council fail to address this issue of access to easements for restoration of services.

- How will your mother make a doctor's appointment?
- How will the doctor call in a prescription?
- How will you call the Police or an ambulance during an emergency?
- How will the growing number of internet-based small businesses be able to operate?

Without addressing the easement access issues, any elected or appointed governing boards will be perpetrating a horrible injustice to the people they serve, and they could be setting the stage for a nightmare of epic proportion.

Please see that the appropriate person(s) are advised of these concerns for the future safety of this region.

Sincerely,

Denise Tapp